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HOUSE BILL 744

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

William "Ed" Boykin

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING AN EXEMPTION IN THE INCOME TAX ACT FOR CERTAIN NURSES AND PHYSICIANS SERVING IN ACUTE SHORTAGE AND MEDICALLY UNDERSERVED AREAS; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] EXEMPTION--INCOME FOR CERTAIN HEALTH CARE PROVIDERS.--Stipend income received by a nurse or a physician, licensed in New Mexico, from the New Mexico health service corps pursuant to the Health Service Corps Act and income and awards received pursuant to the Health Professional Loan Repayment Act are exempt from state income tax."

Section 2. Section 21-1-26.8 NMSA 1978 (being Laws 1995, . 152643. 2

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1 Chapter 144, Section 1) is amended to read:

2 "21-1-26. 8. HEALTH PROFESSION ADVISORY COMMITTEE--
3 CREATED--DUTIES. --

4 A. The "health profession advisory committee" is
5 created to advise the commission on higher education on matters
6 relating to the administration of student loan programs for
7 health professionals. [~~The health profession advisory
8 committee replaces the medical shortage area committee.~~]

9 B. The health profession advisory committee shall
10 be composed of a representative of the department of health; a
11 representative of the New Mexico health policy commission; and
12 representatives of public post-secondary health and medical
13 training programs, underserved health and medical area
14 providers, recruiting and placement organizations and
15 professional health and medical associations. Members shall be
16 appointed by the commission on higher education pursuant to the
17 policies and procedures of the commission.

18 C. The health profession advisory committee shall:

19 (1) define and designate health professional
20 shortage areas of the state, including acute shortage areas;

21 (2) designate those fields of specialization
22 within nursing and the practice of medicine in which the state
23 is experiencing an acute shortage;

24 [~~(2)~~] (3) make recommendations to the
25 commission on higher education on applicants for medical,

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1 osteopathic, nursing and allied health loan for service
2 programs and loan repayment programs; and

3 [~~(3)~~] (4) give advice or other assistance to
4 the commission as requested. "

5 Section 3. Section 21-22D-3 NMSA 1978 (being Laws 1995,
6 Chapter 144, Section 18) is amended to read:

7 "21-22D-3. DEFINITIONS. -- As used in the Health
8 Professional Loan Repayment Act:

9 A. "commission" means the commission on higher
10 education;

11 B. "health professional" means a [~~primary-care~~]
12 physician, optometrist, podiatrist, [~~physician's~~] physician
13 assistant, dentist, nurse, member of an allied health
14 profession as defined in the Allied Health Student Loan for
15 Service Act or a licensed or certified health professional as
16 determined by the commission; and

17 C. "loan" means a grant of money to defray the
18 costs incidental to a health professional education, under a
19 contract between the federal government or a commercial lender
20 and a health professional, requiring either repayment of
21 principal and interest or repayment in services. "

22 Section 4. Section 21-22D-4 NMSA 1978 (being Laws 1995,
23 Chapter 144, Section 19) is amended to read:

24 "21-22D-4. COMMISSION POWERS AND DUTIES-- PARTICIPANT
25 ELIGIBILITY-- QUALIFICATIONS. --

. 152643. 2

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1 A. The ~~commission may~~ grant an award to repay loans
2 obtained for health ~~[educational]~~ education expenses of a
3 health professional upon such terms and conditions as ~~may be~~
4 ~~imposed by regulations of the commission.~~

5 B. Applicants shall be licensed or certified to
6 practice in New Mexico as health professionals and shall be
7 bona fide citizens and residents of the United States and of
8 New Mexico. Applicants shall declare their intent to practice
9 as health professionals within designated health professional
10 shortage areas and acute shortage areas of the state.

11 C. The ~~commission shall make~~ a full and careful
12 investigation of the ability, character and qualifications of
13 each applicant and determine fitness to become a health
14 professional in the health professional loan repayment program.

15 D. The ~~commission shall assist~~ selected health
16 professionals in locating practice positions in designated
17 health professional shortage areas and acute shortage areas. "

18 Section 5. APPROPRIATIONS. --

19 A. Five hundred thousand dollars (\$500,000) is
20 appropriated from the general fund to the health professional
21 loan repayment fund for expenditure in fiscal year 2006 and
22 subsequent fiscal years for the purpose of making loans to
23 students pursuing medical specialties that are needed in acute
24 shortage and medically underserved areas pursuant to the Health
25 Professional Loan Repayment Act. Any unexpended or

1 unencumbered balance remaining at the end of a fiscal year
2 shall not revert to the general fund.

3 B. Seven hundred fifty thousand dollars (\$750,000)
4 is appropriated from the general fund to the department of
5 health for expenditure in fiscal year 2006 to contract for
6 expanded recruitment of physicians, dentists, physician
7 assistants, nurse practitioners, certified nurse midwives,
8 nurses and clinical nurse specialists for employment statewide,
9 including employment in state agencies. Any unexpended or
10 unencumbered balance remaining at the end of fiscal year 2006
11 shall revert to the general fund.

12 Section 6. APPLICABILITY.--The provisions of this act
13 apply to taxable years beginning on or after January 1, 2005.